



U.S. Department
of Transportation
**Federal Aviation
Administration**

Great Lakes Region
Illinois, Indiana, Michigan,
Minnesota, North Dakota,
Ohio, South Dakota,
Wisconsin

2300 East Devon Avenue
Des Plaines, Illinois 60018

April 21, 2010

Ms. Rosemarie S. Andolino
Commissioner,
City of Chicago, Department of Aviation,
10510 West Zemke Road
Chicago, IL 60666

Chicago O'Hare International Airport
Letter of Intent No. AGL-10-01

I am pleased to inform you that in response to the City of Chicago's request for assistance under the Airport Improvement Program (AIP), as authorized by Title 49, United States Code, that your request for a Letter of Intent (LOI) for the Chicago O'Hare International Airport has been approved.

Enclosed are the original and one copy of LOI No. AGL-10-01 for Chicago O'Hare International Airport (ORD) as issued by authority of the Administrator of the Federal Aviation Administration (FAA) on behalf of the United States of America.

The enclosed LOI No. AGL-10-01 sets forth the maximum Federal share of project costs included within the LOI project description and a schedule of payments over sixteen years commencing in fiscal year 2011. The terms of this LOI may be adjusted as outlined in the LOI if project progress, or FAA's obligation authority, is less than expected.

We look forward to continuing our working relationship toward the successful completion of this major system capacity enhancement project. Our office will work closely with you to answer any questions that you may have and to administer the funding provisions of the LOI.

Sincerely,



Jim Keefer, Manager
Chicago Airports District Office

Enclosure

LETTER OF INTENT AGL-10-01
Chicago O'Hare International Airport
Chicago, Illinois

The Federal Aviation Administration (FAA) hereby announces its intention, effective this date, in accordance with the provisions of section 47110(e) of title 49, United States Code (Act), to obligate funds from current and future budget authority to issue grants to pay the City of Chicago (City) for the United States share of allowable costs at the Chicago O'Hare International Airport for the project described as follows:

O'Hare Modernization Program – Completion Phase including new (relocated) Runway 9C/27C; new (relocated) Runway 10R/28L; extension of Runway 9R/27L; and all associated enabling projects, including World Gateway Program taxiway improvements, new and upgraded navigation aids, site utilities, and relocation of existing facilities.

as more fully described in the Sponsor's application for a Letter of Intent, dated March 1, 2009.

The maximum United States obligation pursuant to this Letter of Intent for the Project described above shall be an amount not to exceed \$410,000,000.

Upon application by the City and in compliance with grant requirements, the FAA shall issue grants from current or future budget authority, as funds become available, according to the following schedule:

Fiscal Year	Federal Funds		
	Apportionment	Discretionary	Total
2011	\$ -	\$ 40,000,000	\$ 40,000,000
2012	\$ -	\$ 30,000,000	\$ 30,000,000
2013	\$ -	\$ 30,000,000	\$ 30,000,000
2014	\$ -	\$ 30,000,000	\$ 30,000,000
2015	\$ -	\$ 25,000,000	\$ 25,000,000
2016	\$ -	\$ 25,000,000	\$ 25,000,000
2017	\$ -	\$ 25,000,000	\$ 25,000,000
2018	\$ -	\$ 25,000,000	\$ 25,000,000
2019	\$ -	\$ 25,000,000	\$ 25,000,000
2020	\$ -	\$ 25,000,000	\$ 25,000,000
2021	\$ -	\$ 25,000,000	\$ 25,000,000
2022	\$ -	\$ 25,000,000	\$ 25,000,000
2023	\$ -	\$ 20,000,000	\$ 20,000,000
2024	\$ -	\$ 20,000,000	\$ 20,000,000
2025	\$ -	\$ 20,000,000	\$ 20,000,000
2026	\$ -	\$ 20,000,000	\$ 20,000,000
Total:	\$ -	\$ 410,000,000	\$ 410,000,000

The announcement of this intention shall not be deemed an obligation of the United States Government under section 1501 of Title 31, United States Code, nor shall this Letter of Intent be deemed an administrative commitment for funding. This Letter of Intent shall be regarded as an intention to obligate funds from current and future budget authority. No obligation or administrative commitment may be made pursuant to this Letter of Intent except as funds are provided in authorization and appropriation acts.

The FAA may, from time to time, following consultation with the City, amend this Letter of Intent to adjust the payment schedule or the maximum United States obligation specified above, or both. Such adjustment may be made by the Federal Aviation Administration Administrator when occasioned by changes in the actual allowable costs of the Project, in the actual time required to complete the Project, in actual or estimated future obligating authority, or otherwise, when determined at the Administrator's discretion to be in the best interests of the United States.

The FAA will give full consideration to the aggregate amount of future obligations and the payments scheduled under all outstanding Letters of Intent in formulating its annual budget requests. A statutory restriction on total obligating authority in a future fiscal year, however, may necessitate a reduction in funds to be apportioned for that year, pursuant to section 47115(g) of the Act, or in discretionary funds available for obligation under section 47115 of the Act, or both. This may result in a concurrent reduction in a payment scheduled under this Letter of Intent. In such event, the ratio of the discretionary fund component of a scheduled payment, as reduced, to such component prior to reduction, shall be not less than the ratio of discretionary funds newly available for obligation in the fiscal year in which such reduction occurs, to the total discretionary funds made available for obligation in the fiscal year in which this Letter of Intent was executed.

If, in any given year and for whatever reason (including such reasons as inability of sponsor to make sufficient progress for the project or a lapse in obligating authority under chapter 471 of the Act), a payment is deferred in whole or in part, any later reimbursement for the deferred amounts will be subject to negotiation between the parties, subject again to the availability of funds and statutory authority. No amendment to this Letter of Intent shall impair the City's eligibility for future reimbursement of the United States share of allowable Project costs pursuant to section 47110(e) of the Act, as funds become available.

The City should understand that, having proceeded with the Project without the aid of funds under the Act, in order to receive reimbursement as specified in the schedule set forth above, it must comply with all statutory and administrative requirements that would be applicable to the Project were the Project carried out with funds made available under the Act. Failure to comply with all such requirements, or failure to proceed with the Project in a timely manner, may lead to revocation of this Letter of Intent.

Further, in the event of default on the part of the City, or any other action by the City which threatens the Federal investment in the Project, the FAA will pursue all remedies available in law or equity, including but not limited to the withholding of

future financial assistance (provided that applicable hearing requirements are complied with) and termination or suspension of all or part of the violated grant agreement.

**UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION**



Manager, Chicago Airports District Office

4-21-2010
Date